

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 10, 2010

CERTIFIED RETURN RECEIPT 7005 2570 0000 4801 6126

Ryan Doherty Cargill Salt Division 15100 West Rowley Road P.O. Box 648 Grantsville, Utah 84029

Subject: Evaluation of Reclamation Surety, Cargill Salt Division, Timpie Solar Ponds, M/045/0030,

Tooele County, Utah

Dear Mr. Doherty:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the Cargill Salt mine was \$2,100,200 escalated to 2011 dollars. The estimate is due for re-evaluation on January 10, 2011. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed spreadsheets to assist both the Division and mine operators in calculating the reclamation surety amount using standard unit costs. Electronic copies of the forms are available on the Division's web site at http://ogm.utah.gov/minerals/default.htm. (Go to the bottom of the page where five worksheets are listed.) Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) so the information is incorporated into the approved plan.

Please submit the worksheets by January 10, 2011, but please contact the Division if additional time is needed.

The Division also requests that you review the Notice of Intention to Conduct Large Mining Operations (NOI) to ensure it reflects the current operating conditions. Any needed changes should be addressed by submitting an amendment to the NOI. An updated Reclamation Contract will also be required as the surety is adjusted.

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Thank you for your cooperation. Please call me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have questions about this letter.

Sincerely,

Paul B. Baker

Mining Program Manager

PBB:lah:pb

cc: BLM - <u>Stan_Perkes@BLM.gov</u> SITLA - <u>Jblake@utah.gov</u>

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